

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE DRS55430-LY-381 (5/17)

Short Title: Work Opportunity Tax Credit. (Public)

Sponsors: Senator Hoyle.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO CREATE AN INCOME TAX CREDIT FOR HIRING CERTAIN  
DISADVANTAGED WORKERS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Part 1 of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-130.48. Tax credit for hiring disadvantaged workers.**

(a) Definition. – As used in this section, a 'disadvantaged worker' is a person who satisfies any of the following conditions:

(1) The worker is a member of a family that received payments under the Temporary Assistance to Needy Families program for at least nine of the last 18 months at the time of hire.

(2) The worker is a veteran and is a member of a family that has received benefits under the Food Stamp Program for at least three of the last 15 months at the time of hire.

(3) The worker is between 18 and 24 years old when hired and a member of a family that has received benefits under the Food Stamp Program for the last six months at the time of hire.

(4) The worker received benefits from the Supplemental Security Income program for any month within the last 60 days at the time of hire.

(b) Credit. – A taxpayer hires a disadvantaged worker to fill a full-time position in this State and keeps that person as an employee for at least nine months is allowed a credit for hiring that person. The amount of the credit is equal to the wages paid to the disadvantaged worker during the taxable year up to a maximum of two thousand dollars (\$2,000) per disadvantaged worker hired and kept by the taxpayer per year. The taxpayer shall claim the credit with respect to a disadvantaged worker in the year in which the nine-month period ends and the following year.

1       (c)   Cap. – The credit allowed by this section may not exceed fifty percent (50%)  
2 of the amount of the tax imposed by this Part for the taxable year reduced by the sum of  
3 all credits allowable, except payments of tax made by or on behalf of the taxpayer. This  
4 limitation applies to the cumulative amount of the credit, including carryforwards,  
5 claimed by the taxpayer under this section for the taxable year. Any unused portion of  
6 the credit may be carried forward for the succeeding five years."

7           **SECTION 2.** Part 2 of Article 4 of the General Statutes is amended by  
8 adding a new section to read:

9 **"§ 105-151.30. Tax credit for hiring disadvantaged workers.**

10       (a)   Definition. – As used in this section, a 'disadvantaged worker' is a person who  
11 satisfies any of the following conditions:

12           (1)   The worker is a member of a family that received payments under the  
13 Temporary Assistance to Needy Families program for at least nine of  
14 the last 18 months at the time of hire.

15           (2)   The worker is a veteran and is a member of a family that has received  
16 benefits under the Food Stamp Program for at least three of the last 15  
17 months at the time of hire.

18           (3)   The worker is between 18 and 24 years old when hired and a member  
19 of a family that has received benefits under the Food Stamp Program  
20 for the last six months at the time of hire.

21           (4)   The worker received benefits from the Supplemental Security Income  
22 program for any month within the last 60 days at the time of hire.

23       (b)   Credit. – A taxpayer hires a disadvantaged worker to fill a full-time position  
24 in this State and keeps that person as an employee for at least nine months is allowed a  
25 credit for hiring that person. The amount of the credit is equal to the wages paid to the  
26 disadvantaged worker during the taxable year up to a maximum of two thousand dollars  
27 (\$2,000) per disadvantaged worker hired and kept by the taxpayer per year. The  
28 taxpayer shall claim the credit with respect to a disadvantaged worker in the year in  
29 which the nine-month period ends and the following year.

30       (c)   Cap. – The credit allowed by this section may not exceed fifty percent (50%)  
31 of the amount of the tax imposed by this Part for the taxable year reduced by the sum of  
32 all credits allowable, except payments of tax made by or on behalf of the taxpayer. This  
33 limitation applies to the cumulative amount of the credit, including carryforwards,  
34 claimed by the taxpayer under this section for the taxable year. Any unused portion of  
35 the credit may be carried forward for the succeeding five years."

36           **SECTION 3.** This act is effective for taxable years beginning on or after  
37 January 1, 2006.